

Realty Trust Review

August 21, 1970

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DOG DAYS ON WALL STREET OBSCURE NEW TRENDS

A wave of ennui appears to have set in among Wall Street's observers of realty trust issues, inspired in part by the continuing flood of new offerings and the overall desultory market action (although the mid-week rally of this week brightened spirits somewhat). The reaction is perhaps best typified by the recommendation of one firm that trust shares be treated primarily as short-to intermediate-term trading vehicles since earnings projections are difficult beyond one year or so. Another institutional house urges a very cautious approach to new commitments until full extent of the Four Seasons. Penn Central bankruptcies can be assessed. In keeping with these advisories, volume in the 27 listed trust issues tabulated by REALTY TRUST REVIEW (page 6) has fallen to new lows.

We have consistently urged investors to take a most discriminating approach to this group, and in this issue present reviews of two trusts whose market position relative to intermediate-term earnings projections makes them especially attractive. But there are other trends emerging in the trust industry:

For instance, North American Mortgage has taken the lead in separating activities of the trustees from the operations of the mortgage adviser, Sonnenblick-Goldman Corp. Jack E. Sonnenblick has stepped down from the NAMI board and the trustees have moved to establish fully staffed offices in Boston under their chairman trustee, Cornelius Rose Jr. Since Massachusetts officials are taking a firmer line on Massachusetts trusts that are in reality operated in other states, the NAMI action in effect also removes this problem.

Too, there is the growing search for new investment outlets as competition heats up. One new trust, Mortgage Investors of Washington, is now financing consumer purchase of recreational vehicle sites and reports excellent yields. Others are moving into areas that until now had remained off the beaten track for trusts.

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TRUST ISSUES CONTINUE TO SHOW LIFE

For the second consecutive month realty trust shares provided virtually the only motion in the new issues market. Four new trust issues reached market during the past four weeks, bringing total initial trust offerings to 17 for the year. The month's offerings pushed the year's total of new offerings over the \$749 million raised last year by 26 trusts, with 1970's offerings now amounting to \$768.25 million, including \$212.7 million in debt. The month's newcomers:

Date	Trust	Offering	Price	-Gross proceeds (mil.)		
				Equity	Debt	Total
7/22	First Penn. Mtg.	1,600,000 un. of 1 sh. & wt. for ½ sh.	\$ 20	\$32.00	-----	\$ 32.0
8/4	M&T Mtg. Inv.	750,000 un. of 1 sh. & 2 wts.	11	8.25		8.25
8/12	Cousins Mtg.&Eq.	2,125,000 sh.	20	42.50	-----	42.50
8/12	Hotel Invest.	75,000 un. of 5 sh. & \$200 of 7 ¾% deben. conv. at \$21	300	7.50	\$15.00	22.50
TOTALS.....				\$90.25	\$15.00	\$105.25

First Pennsylvania Mortgage Trust will emphasize short-term construction and development loans. The manager, Associated Advisers, is a subsidiary of First Pennsylvania Corp., Philadelphia one-bank holding company whose commercial bank with \$1.9 billion deposits is the 19th largest in the U.S. The company owns Associated Mortgage Co., nation's third largest mortgage banker with \$1.4 billion in its servicing portfolio. Initial investments were to yield 11.92%. John R. Bunting is trust chairman and Philip Zinman president of the manager. Address: Trust, 28 State St., Boston; adviser, 15th & Chestnut St., Philadelphia, Pa. 19101.

M&T Mortgage Investors intends investment in both short-term and long-term loans, and initial investments include \$2.2 million FHA and VA loans yielding 8.66% and \$5.3 million construction loans with 9½% interest purchased at par from its sponsor, Mortgage & Trust, Inc. of Houston. The sponsoring mortgage banker services \$600 million in loans. Jerome L. Howard is president of the trustees and C. Harold Wallace president of M&T Management. Address: 921 Caroline St., Houston, Texas.

Cousins Mortgage & Equity Investments is sponsored by Cousins Properties, publicly owned realty development company of Atlanta. The trust intends to provide one-stop realty financing to developers, concentrating on long-term first mortgages with equity participations. Initial investments were to include long-term mortgages with interest from 10% to 11½% plus percentages of gross rents and \$34.5 million of short-term loans yielding from 9¼% to 15%. Investment Advisory Co., Cousins subsidiary, is trust adviser, and has in turn contracted for certain advisory and referral services with Hubbard, Westervelt & Mottelay, subsidiary of Merrill Lynch, Pierce, Fenner & Smith and Hubbard Real Estate Investments adviser. Thomas G. Cousins is trust chairman, Thomas M. McComb Jr. president of the advisor. Address: 300 Interstate North, Atlanta, Ga. 30339

The Hotel Investors intends investing in long-term mortgages primarily in the hotel, motor inn, restaurant and lodgings field. Hilton Hotels and Marriott Corp. have agreed to refer their prospective franchisees on a non-exclusive basis to the trust for consideration of financing. Initial short-term investments were to have effective yields from 9¼% to 11%. Harold W. Milner and C. Lawrence Wiser are terminating their positions with Marriott to become principals of the adviser, Hotel Advisors, Inc. Mr. Milner serves as president and chief executive of the trust. Address: 5161 River Rd., Bethesda, Md. 20016.

Registration of 522,218 shares of American Equity Investment Trust became effective, with the shares to be offered by an affiliated company, Life Investors Management Corp., at \$10.50. The equity trust is located at 375 Collins Road N.E., Cedar Rapid, Iowa 52406.

On the calendar for the week of Aug. 24 is the proposed \$150 million offering (\$75 million debentures) for Holiday Inns Investors. The trust proposes investing primarily in facilities of Holiday Inns franchisees, although other borrowers will be considered. Other new filings include BT Mortgage Investors, a proposed \$25 million trust affiliated with Bankers Trust New York Corp. BT would offer \$10 million in debentures, the remainder in stock. Citizens & Southern Realty Investors, affiliated with Citizens & Southern National Bank of Atlanta, proposes a \$50 million offering, and Old Stone Mortgage & Realty Trust would be a \$5 million offering of a trust affiliated with Old Stone Savings Bank of Providence, R.I. A total 20 trusts are now in registration with \$723.6 million in securities, with about \$236 million of this on file over six months.

Several factors appear to be working against continuation of the new issue flood however. For one thing, hints that opposition to institutionally sponsored trusts may be stirring in Congress (see below) may brake new offerings from this source. Further, the fact that several leading underwriters have now underwritten several trusts could well create reluctance on their part to handle more. The underwriters are simply facing the fact that trusts will continue to have recurring needs for capital over the longer term, needs that may tax the best efforts of even the largest brokerage organizations. On balance we believe offerings are likely to taper off in the months ahead.

The listing parade continues, however. Chase Manhattan Mortgage and Realty bows on the NYSE Aug. 24 and both MONY Mortgage Investors and Mortgage Investment Group are in the Big Board holding pattern. Several other trusts are in the ASE waiting line, although none have filed formally.

THE BANK TRUSTS CATCH MR. PATMAN'S (JAUNDICED) EYE

It should come as no surprise but Rep. Wright Patman, the veteran Texan who heads the House Banking Committee, is trying to rally fellow Congressmen to limit commercial bank-sponsored realty trusts. No one is yet certain how much support the Populist-leaning Texan can attract among his colleagues, but he is bringing some of his flamboyant language to bear on the bank trusts. Some samples from his opening fusillade inserted into the July 15 Congressional Record:

"A frightening new colossus has been spawned....The possibilities for self-dealing, both those disclosed and the undisclosed ones, are shocking....This relatively new development is laden with grave danger to the entire economy....It is further evidence of the predatory intent of a few large banks to control and dictate, by horrendous conflicts of interest, the nation's economic forces."

Since no love has ever been lost between Mr. Patman and the commercial banks, the Texan's success or failure in winning converts on his committee likely will rest in his ability to sustain his main charges. They are:

1. Conflicts of interests are innumerable, including the operation of substantially similar lending businesses by both the bank and the trust. Patman says the open admission in some bank prospectuses that not all transactions will be at arms length is a direct violation of fiduciary standards. There are no restrictions on a bank's trust accounts purchasing shares of a bank affiliated trust. And he fears that the bank trusts may be used to "bird dog" for new bank accounts.
2. The trust affiliation may bring the banks under restrictions against becoming an issuer of securities, prohibited by Sec. 32 of the 1933 Banking Act. Patman notes that the Federal Reserve Board in 1961 approved interlocking bank-trust relations provided neither entity issued additional shares "frequently and in substantial amounts." Patman contends that the nature of mortgage trusts to require additional capital frequently brings banks under this restriction.

Since unleashing his blast, Patman has failed to win any wide open support among his fellow Congressmen. But the matter is far from closed, and Patman's tenacity in pursuing his opponents is widely known. Too, legislation curbing activities of one-bank holding companies is pending in Congress and there is some question whether realty trusts would come under those prohibitions. All in all, we feel the very fact that the relentless Texan is watching the bank trusts closely probably will act to brake new offerings by other banks.

TWO TRUSTS AT DEEP DISCOUNTS FROM BOOK VALUE: CITY INVESTING AND LARWIN

Stormy markets such as these are excellent times to head for calmer waters. For realty trust investors, we believe the shares of two over-the-counter mortgage trusts, Larwin Mortgage Investors (about 14 7/8) and City Investing Mortgage Group (about 13 3/4) offer some excellent values. Both are selling at discounts of 20% to 26% from book value of \$18.47 for City and \$18.60 for Larwin.

They are on the bargain counter for reasons we believe represent rather widely held misconceptions of where the trust managements are guiding their vehicles. As investors come to realize the above-average growth in share earnings possible in these two trusts, we believe their price-earnings multiples will come more nearly into line with others in this group. Trust pricing at present represents a commodity approach, which says that no investor should pay a premium P/E or accept a lower yield for a trust. Hence trusts at the lower end of the P/E spectrum present the best opportunities for capital gains for investors. And while there is no reason that trust prices should bear any relation to book value, this represents the dollars of capital actually at the command of management per share and hence, investors in these trusts have relatively more going for them than others closer to book value. And finally, neither trust has invested in either of the industry's two problem areas, loans to Four Seasons Nursing Centers or Great Southwest Corp.

City Investing Mortgage Group, headquartered in New York City, is sponsored by conglomerate City Investing and hence has tended to suffer from the tarnished stock market image of all conglomerates. CIMG began operations with a \$68 million stock offering on Oct. 30, 1969. Simultaneously the trust placed \$11.5 million of subordinated notes, with both the shares and notes carrying warrants to buy additional shares at \$20.

Unlike virtually every other trust started during 1969, CIMG and its adviser, C.I. Planning Corp., did not inherit a ready-made organization to originate mortgage loans. This lack of an on-going organization hobbled the trust in rolling its initial \$56.4 million portfolio, which yielded the trust a sub-par 9½% to 10%, into higher yielding investments. Hence while the trust started with some modest leverage--and had even more available through bank lines--it effectively was unable to use that leverage.

Now however, we believe CIMG is effectively positioned to use that latent leverage with highly positive results on share earnings. Since the offering, the trust's chief operating officer, James V. Tomai Jr., has devoted himself to the painstaking task of recruiting exactly the caliber of staff he needed to make the trust an effective competitor in the high stakes league of major real estate lending on major income properties (applications under \$1 million are not encouraged). And while Tomai was going about his recruiting, the field was undergoing its own private population explosion as the major commercial banks --Chase Manhattan, First Pennsylvania, et al--brought their own trusts to market.

At this juncture it appears that this shake-down period has ended for CIMG. Tomai, 49 and a veteran construction loan executive with Irving Trust Co. of New York, has gathered a lean five-man staff of generalists who can process loans from start to final repayment, a format Tomai has found most successful. The five key men--Edward B. Sweeney, Kenneth J. Spencer, Robert E. Pratt, J. Charles McMahon and Richard Merrill--are all between 31 and 39 years old and all have loan experience with major financial institutions. In short they are experienced, lender-oriented men.

STATISTICAL RECORD

City Inv. Mtg.		Quarterly earn.	Larwin Mtg.
Jan. '70	0.23	Sept. '69	\$0.32
Apr. '70	0.30	Dec. '69	\$0.36
July '70	0.35	Mar. '70	0.40
Oct. '70	<u>E0.38-9</u>	June '70	<u>0.43</u>
	\$1.26-7		\$1.50

Oct. '71 E1.70-1.80 June '71 E1.90-2.00

Captialization

7/31/70 6/30/70

\$ 6,500,000	Short-term debt	\$ 2,000,000
11,500,000	Subordinated debt	----
3,405,000	Shares	2,005,000
\$18.83	Book value/share	\$18.69
13.75	Recent price	14.88

This group is presently originating loans at a rate over \$10 million monthly--enough to cover repayments on that initial portfolio and begin modest leveraging. At the end of July CIMG had 47 loans or commitments outstanding for \$141.7 million, an average \$3 million per commitment. About \$75.2 million has been disbursed. The important fact in our view is that the adviser has now originated over \$90 million in loans in about nine months. About 31.5% are in office buildings, 25% in garden apartments, and the remainder in high-rise apartments, shopping centers and other realty. The trust has adopted a strict rule against lending to other entities in the City Investing family--such as General Development, Guerdon Industries--with the only transaction of this nature being one initial participation with City's Home Insurance Co. Current orginations are at 12% to 13½% yields.

On the liability side, CIMG is now about \$6.5 million into its bank lines of \$51.5 million. With the \$11.5 million in notes, this gives CIMG's \$64.1 million of equity some modest leverage. In our view CIMG probably penalized initial earnings by obtaining and paying for bank credit lines when it was not in a position to use them effectively. Since that period has now ended, borrowings should begin to contribute to earnings.

CIMG earnings have shown steady growth in the three quarters now reported (see table) and we estimate earnings for the first fiscal year ended Oct. 31 will approximate \$1.25-\$1.28 per share. With rollover of the initial portfolio not anticipated until next spring, further gains should be realized into fiscal 1971 and, with leverage beginning to add to net, share earnings should be in the \$1.70-\$1.80 area for fiscal 1971. If the current P/E multiple of 10 times the latest quarter (\$0.35/share) annualized of \$1.40 prevails over the next year, then our estimate of \$0.48-\$0.49 quarterly earnings in the final quarter of fiscal 1971 implies a share price in the \$19-\$20 range within a year. On that basis, we project payout of about \$1.65-\$1.70 over the next four quarters plus the capital gains indicating potential overall return in the range of 45%. Since the loan portfolio appears quite sound, the stock is rated a buy here.

Larwin Mortgage Investors of Beverly Hills, Calif. has just completed its first year of operation with earnings reported at \$1.50/share. This trust too got off to a slow start as the man initially tapped to run the trust departed and an extensive search was conducted for his successor. The man chosen as executive head is Fredric Gale, formerly an executive with the realty lending operation of Walter Heller. With the personnel hurdle cleared, loan orginations and approvals have recently been moving up strongly, with June approvals of \$22.6 million contrasting with readings of \$1.9 and \$5.6 million in January and February.

As with City Investing, Larwin's internal return has been increasing as the new loans are substituted for initial investments. Gross portfolio yield gained from an opening 9.09% to 11.38% for June, closing month of its fiscal year. The trust is finding pressure upon its 13% yield requirement at present but the bulk of new commitments are holding to that figure. Of the \$92.4 million committed during its first year, 46.3% were for multi-family

residences, 27.4% for office buildings, and 19.0% for shopping centers. The trust has taken a cautious view toward California's usury law and has not made loans in its home state hence is not exposed with loans to Great Southwest or Four Seasons. The bulk of organizations are coming from correspondents of the manager, BMC Management which is affiliated with Brentwood Mortgage Corp.

Until recently the trust has operated with virtually no leverage in its capitalization, and short-term loans amounted to about \$2 million at the end of June. Additional bank lines have just been completed with Bank of America and First National City Bank to bring total lines available to \$14 million. The lines are at prime with standard compensating balance arrangements so that effective cost is in the 10%-10½% range. Assuming a 1½% management expense, use of bank lines should net the trust about 1-1½%. Management expects to be using most bank lines within the next 60 days.

In addition to its professional staff, LMI has the longer-term advantage of its relationship with the Larwin Group Cos., the homebuilding subsidiary of insurance holding company CNA Financial. While inter-corporate lending is avoided, these ties should allow the trust to maintain solid relations with other financial institutions.

With the trust's internal yields still rising and the prospects of effective leveraging at hand, LMI should be able to earn in the \$1.90-\$2.00 range for fiscal 1971. As with City Investing, we assume no multiple increase but project share prices in the \$19-\$20 range by the end of that year. Dividend payout in the next year should be in the \$1.80-\$1.90 range. The shares are attractive for the above-average gains potentials.

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MOST ACTIVE LISTED TRUSTS

Sh.(000) Close Week of July 24				Sh.(000) Close Week of Aug. 7			
			Change				Change
Security Mtg.	503	11 3/8	+ 1 7/8	Conn. Gen. Mtg.	613	20 1/2	- 1 1/2
North Amer. Mtg.	394	19 1/2	+ 1/2	Diversified Mtg.	211	20 1/4	
Continental Mtg.	381	15	+ 1/2	Continental Mtg.	205	14 3/8	+ 1/8
Diversified Mtg.	289	19 1/2	- 1/8	North Am. Mtg.	166	19 1/2	+ 1/4
First Mtg.	211	22 3/8	+ 1/4	Realty Inc. Tr.	147	11 7/8	+ 1/2
Average closing price: \$17.55				Average closing price: \$17.30			
Security Mtg.	292	11	- 3/8	Diversified Mtg.	269	19 3/4	- 1/2
Diversified Mtg.	256	20 1/4	+ 3/4	Continental Mtg.	195	14	- 3/8
Guardian Mtg.	241	23 3/4	- 1/8	Conn. Gen. Mtg.	207	20 3/4	+ 1/4
Continental Mtg.	212	14 1/4	- 3/4	North Am. Mtg.	188	18 3/4	- 3/4
Am. Century Mtg.	204	18 7/8	+ 1 1/4	Repub. Mtg. wts.	165	2 3/8	- 3/8
Average closing price: \$17.62				Average closing price: \$15.12			

WEEKLY TRADING TRENDS IN LISTED TRUSTS

Weekly Change	---July 24----- Issues	Shares	---July 31----- Issues	Shares	---Aug. 7----- Issues	Shares	---Aug. 14----- Issues	Shares	4 Week Totals
Upside	15	206,100	13	127,500	8	82,900	5	34,900	451,400
Downside	11	108,800	11	145,500	12	149,100	21	194,100	587,500
Unchanged	<u>1</u>	<u>4,200</u>	<u>3</u>	<u>17,500</u>	<u>7</u>	<u>53,200</u>	<u>1</u>	<u>6,500</u>	<u>81,400</u>
TOTALS	27	319,100	27	290,500	27	285,200	27	235,500	1,120,200

TRUST STOCK QUOTATIONS

Trust (quoted)	Shares (000)	Book Val.	-Dividend- Late Ann*	-Latest earnings-Cash Per. EPS. Ann.*Flow+	Price 8/17	% Chng.	P/E Ratio	Est. Yield*
Alison Mtg.-ASE	935	18.36	0.45 1.80	July Q 0.39 1.56 ----	x17.88	+14.6	11.5	10.1
Am.Cent Mtg.-ASE	1,325	17.98	0.45 1.80	June Q 0.47 1.88 ----	x16.75	- 3.1	8.9	10.7
Am. Fletcher-OTC	540	22.71	0.55 2.20	July Q 0.59 2.36 ----	20.00	+ 0.7	8.5	11.0
Am.Realty-ASE	983	6.57	0.15 0.60	June Q 0.11 0.44 ----	7.00	0.0	15.9	8.6
Amico Prop.	1,679	NA	---- 0.53	Oct. Y ---- 0.41m NA	5.63	NA	13.7	9.4
Assoc. Mtg.-ASE	840	21.12	0.50y 2.00	June Y 2.99a ----	x25.13	- 3.3 f	8.4	8.0
Atico Mtg.-ASE	1,182	12.63	0.30 1.20	July Q 0.31 1.24 ----	x11.38	+ 6.1	9.2	10.5
Bank Amer.	2,560	e18.35	Offered 7/16/70 at \$20 (adj.)		20.00	NA	---	----
Barnett Mtg.-OTC	1,275	18.40	0.21i 0.80	June Q 0.245i 0.98	x13.50	-15.7	---	----
Beneficial Std. Mtg.	755	e18.08	Offered 7/17/70 with one warrant at \$20		16.50	NA	---	----
Cam. Brown-WSJ	1,750	23.01	0.52 2.08	June Q 0.54 2.16 ----	18.75	+ 2.0	8.7	11.1
Capital Mtg.-WSJ	1,000	18.13	0.35 1.40	June Q 0.39 1.56 ----	15.25	- 2.4	9.8	9.2
Chase Man. Mtg.-OTC	2,712	22.14	Offered 6/4/70 at \$25 adjusted		26.00	- 6.7	---	----
Citinat. Dev.-OTC	500	18.37	Offered 4/8/70		15.88	+17.6	---	----
Citizens Mtg.-OTC	1,407	14.02	0.24 0.96	June Q 0.26 1.04 ----	10.50	-17.6	10.1	9.1
City Inv.-WSJ	3,405	18.83	0.35 1.40	July Q 0.35 1.40 ----	13.75	0.0	9.8	10.2
Colwell Mtg.-WSJ	905	18.61	0.40 1.60	June Q 0.44 1.76 ----	16.75	0.0	9.5	9.6
Conn.Gen.Mtg.-NYSE	3,075	17.92	0.30i 1.20	June Q 0.33i 1.32	20.50	-10.9	15.5	5.9
Cont. Mtg.-NYSE	13,264	2.97	0.21 0.84	June Q 0.24 0.96 ----	14.25	- 1.7	14.8	5.9
Cousins Mtg.	2,135	e18.21	Offered 8/12/70 at \$20		19.75	NA	---	----
Denver REI-WSJ	1,091	9.48	0.15 0.60	Dec. Y ---- 0.60b 1.18b	8.63	+ 6.2 f	7.3	7.0
Diver.Mtg.-NYSE	6,038	19.25	0.39 1.56	June Q 0.43 1.72a ----	19.75	+ 0.6	11.5	7.9
Fidelity Mg.-WSJ	2,005	18.33	0.45 1.80	July Q 0.60 2.40 ----	18.75	+ 4.2	7.8	9.6
First Mtg.-NYSE	3,707	12.23	0.45 1.80	July Q 0.40a 1.60 ----	21.00	- 5.1	13.1	8.6
First Penn Mtg.	1,610	e18.15	Offered 7/22/70 at \$20 incl. wts.		18.00	NA	---	----
First Union-ASE	3,573	9.24	0.21 0.84	July Q 0.16 0.64 0.90 m	10.13	+ 1.3 f	11.3	8.3
Franklin Rlt-ASE	910	10.78	0.19 0.76	Mar. Q 0.19 0.76 NA	9.13	0.0	9.9	8.3
Fraser Mtg.-WSJ	1,038	16.44	0.53 2.12	May Q 0.52 2.08 ----	21.13	- 2.9	10.2	10.0
Galbreath-WSJ	700	22.84	0.52 2.08	June Q 0.53 2.12 ----	22.25	- 5.3	10.5	9.3
General Mtg.-WSJ	1,000	13.83	0.27 1.08	June Q 0.58 1.12 ----	9.75	- 7.5	8.7	11.1
Goodrich Inv.-OTC	1,211	9.38	0.15 0.90	June Q 0.15i 0.60i 0.68	7.25	- 1.8 f	10.7	12.4
Gould Inv. Tr.-WSJ	1,323		w	1.19	5.50	+11.1 f	4.6	----
Grt. Am. Mtg.-WSJ	1,257	20.69	0.22M 2.64	Apr. Q 0.60 2.40 ----	33.50	+15.5	14.0	7.9
Greenfield RE-WSJ	498	15.19	0.40 1.60	Oct. Y ---- 0.99 1.93	16.50	+ 1.5 f	8.5	9.7
Guardian MI-ASE	21,269	24.18	0.47 1.88	May Q 0.66a 2.64 ----	22.88	- 1.6	8.7	8.2
Hotel Inv.	375	e15.00	Offered 8/12/70 at \$20 (adj.)		19.75	NA	---	----
Hubbard REI-NYSE	4,004	23.06	0.36 1.44	Apr. Q 0.42 1.68 ----	20.25	+ 3.8	12.1	7.1
Kavanau RE-ASE	1,553	3.94	0.15 0.60	June6M 0.01 0.02 0.61 m	6.50	- 8.8 f	10.7	8.2
Larwin MI-WSJ	2,005	18.69	0.41 1.64	June Q 0.43 1.72 ----	14.50	+ 0.9	8.4	11.3
Lincoln MI-WSJ	1,110	8.89	0.15i 0.60	June Q 0.15i 0.60 ----	7.75	0.0	---	----
Lomas & Net.-WSJ	1,120	23.44	0.65y 2.60	June Q 0.65 2.60 ----	27.25	+ 0.9	10.5	9.5
Midland Mtg.-ASE	1,640	11.57	0.33 1.32	June Q 0.33 1.32 ----	9.88	- 3.7	7.5	13.4
Medical Mtg.-WSJ	1,345	24.12	0.50 2.00	----	18.50	- 9.8	---	10.8
Mobile HM.Com.OTC	1,063	8.49	----	Nov. Q 0.44 0.60	5.88	+14.6 f	9.8	----
MONEY Mtg.-OTC	5,020	8.89	Offered 4/14/70		8.63	- 6.7	---	----
M&T Mtg. Inv.	773	e 9.92	Offered 8/4/70 with two wts. at \$11		9.25	NA	---	----
Mtg. Inv.GP.-WSJ	2,480	18.43	0.45 1.90	June Q 0.48 1.92 ----	13.63	-12.8	7.1	13.9
Mtg. Inv. Wash.-OTC	1,016	13.88	0.30 1.20	June Q 0.33i 1.32 ----	11.00	- 6.4	8.3	10.9
Mtg. Tr. Am.-WSJ	3,174	19.09	0.45 1.80	May Q 0.49 1.96 ----	17.13	- 0.7	8.7	10.5
Mutual REIT-WSJ	1,433	6.99	0.075 0.30	Sept.Y ---- d0.01 0.28	2.88	0.0 f	10.3	10.4
Nat.Mtg.Fd.-WSJ	628	9.15	0.26 1.04	May Q 0.27 1.08 ----	8.75	0.0	8.1	11.8
Nat. Realty-ASE	1,271	11.91	0.20 0.80	June Q 0.10 0.40 0.84	x 9.00	- 4.0	10.7	8.9

Trust (quoted)	Share Book (000) Val.	-Dividend- Late Ann*	-Latest earnings-Cash Per. EPS. Ann.*Flow+	Price 8/17	% Chng.	P/E Ratio*	Est. Yield*
No. Am.Mtg.-ASE	3,853 12.93	0.46 1.84	June Q 0.46 1.84 ----	x19.13	+ 3.1	10.4	9.6
Palomar Mtg.-WSJ	604 22.87	0.63 2.52	May Q 0.67 2.68 ----	24.00	- 2.0	9.0	10.5
Penn REIT-ASE	1,122 8.36	0.40 0.80	May Q 0.80 1.08 1.11m	10.00	- 1.2	f 9.0	8.0
Purdent Res.-ASE	3,000 4.75	Div. Susp.	June Q 0.02 0.08 0.80M	7.75	- 7.5	f 9.7	Nil
REIT AM.-ASE	1,567 21.61	0.33 1.32	May Q 0.39K 1.56 1.46M	18.88	+ 0.7	f12.9	7.0
Realty Inc.Tr.-ASE	1,216 14.84	0.25 1.00	Apr. Y ---- 1.32 ----	11.50	+ 8.2	8.7	8.7
Repub. Mtg.-ASE	1,678 18.35	0.40 1.60	June Q 0.44 1.76 ----	x13.25	-12.6	7.5	12.1
Riviere Rlty.-OTC	783 9.26	---- 0.88	Dec. Y ---- 0.57 0.79	6.88	- 3.5	8.7	12.8
Saul (B.F.)-WSJ	3,530 10.53	0.27 1.08	June Q 0.23 0.92 ----	11.88	- 5.0	12.9	9.1
Security Mtg.-ASE	3,278 8.77	0.21 0.84	May Q 0.20 0.80 ----	x10.25	+10.1	12.8	8.2
Sutro Mtg.-ASE	1,734 14.65	0.35 1.40	June Q 0.38 1.52 ----	14.00	- 0.9	9.2	10.0
Unionam.MI-OTC	1,255 18.70	0.35 1.40	May Q 0.35 1.40 ----	15.75	+ 6.8	11.3	8.9
Universal-OTC	1,000 4.34	Div. Susp.	Dec. Y ---- d0.07 ----	2.38	+ 5.8	----	----
U.S. Realty-ASE	2,367 9.96	0.35 1.40	June Q 0.24 0.96 1.44m	16.50	+ 6.5	11.5	8.5
Wachovia RI-WSJ	3,340 18.31	0.47i 1.88	----	18.75	+ 3.4	----	10.0
Washington REIT-WSJ	765 8.35	0.20 0.80	Mar. Q ---- f0.28 1.12	8.75	+ 1.4	f 7.8	9.1
Wells Fargo	3,760 e18.22	Offered 6/30/70 with	wt. for 1/2 sh.at\$20	17.25	NA	----	----
Western MI-WSJ	1,000 8.85	0.12 0.48	May Q 0.14 0.56	5.25	+ 7.7	9.4	9.1

WARRANTS

Conv.

CONVERTIBLE DEBENTURES

Cur. Int.

Trust	Exercise terms	Price	Conv. Prem.	Issuer	Conv.@	Price	Yield	Cov.*
Amer. Fletcher	\$25 - 1/31/75	3 1/2	+42.5%	Amer. Century 7s'90(ASE)	21	80	8.75	NR
Atico Mtg.	15 - 12/31/74	1 7/8	+48.3	Amer. Realty 7s 1984	13	57	12.28	NR
Barnett Mtg.	20 - 4/ 1/80	2 1/2	+66.7	Assoc.Mtg. 6 1/2s'83	22	104	6.25	3.13
Benef. Std. Mtg.	20 - 7/14/75	3	+39.4	Bank Amer.Mtg.6 3/4s'90	21	95	7.11	NR
Cameron-Brown	25 - 11/15/76	3	+49.3	Chase Man. 6 3/4 '90	26 1/4	97	6.96	NR
Capital Mtg.	20 - 11/25/74	3	+50.8	Conn.Gen.(NYSE)6 3/4'90	22	93 1/2	7.22	NR
Citinat. Dev.	20 - 4/15/75	3	+44.8	Cont.Mtg.(NYSE)6 1/4'90	22 1/4	78 3/8	7.97	1.82
Citizens Mtg.	15 - 12/10/74	2 1/8	+63.1	Diver.Mtg.6 1/2s'89	23	82	7.93	5.71
City Inv. Mtg.	20 - 12/ 1/74	2 1/4	+61.8	First Mtg.(NYSE)6 3/4'85	24	88	7.67	1.52
First Mtg. Inv.	11 1/2 - 12/15/77	9 3/8	- 1.8	Frank Rl.(ASE)7s'89	10	90 1/2	7.73f	1.36
First Penn.Mtg.	20 - 7/23/74	2 1/8	+34.8	Guardian Mtg.(ASE)8s	25	89 1/2	8.94	2.00
Midland Mtg.	12 1/2 - 9/30/74	2 7/8	+50.5	Hotel Inv.7 3/4s'90	21	97	7.99	NR
Mobile Hm.Comm.	10 - 8/26/74	2 1/8	+106.3	Lincoln Mtg.8s'90	11	76	10.53	NR
M&T Mtg.	13 - 8/31/75	1 7/8	+60.9	MONEY Mtg. 7s'90	11	84	8.33	NR
Mtg. Inv. Gp.	20 - 4/ 2/74	2 3/4	+66.9	Mtg.Inv.Wash.8s'90	15	91	8.79	NR
Mtg. Tr. Am.	15 - 3/ 5/75	2	+54.5	Pennsylvania 6 3/4'84	14	70	9.64f	1.29
No. Amer. Mtg.	19 - 11/ 6/74	4	+34.3	Pennsylvania 6 1/4'79	12 1/2	70	8.93f	1.29
Republic Mtg.	24 - 12/ 1/74	2	+51.6	US Rlty.(ASE)5 3/4'89	5 1/4	63	9.13f	1.55
Unionamer. Mtg.	20 - 6/00/74	2 1/2	+69.8					
Wells Fargo Mtg.	20 - 12/31/74	3 1/2	+49.2					
Mtg. Inv.Wash.	20 - 7/ 1/74	2	+39.0					

Earnings and dividends reported during the past month are italicized.

*-Q-Quarter; H-Half year. Dividends and earnings are annualized by appropriate multiplication of latest quarter without seasonal adjustment. Annualized trust dividends and estimated yields are not to be construed as guaranteed annual rates, since trust dividends depend upon current earnings and are subject to change. +Operating income plus non-cash charges less mortgage amortization. a-Fully diluted. b-Before capital gain of \$0.07/sh. c-Bid on stock not traded. d-Deficit. e-Estimated. f-Based on cash flow as defined. i-Initial quarter, may be less than full 90 days. k-Before capital gain of \$0.67/sh. m-For latest fiscal year. NR or NA-Not reported or not available. w-12 sh. of VTR, Inc., for each 100 shares held, payable Sept. 28 to shares of record Aug. 28. x-Ex dividend during month. y-Plus specials: Associated Mtg., \$0.62 extra and \$0.045 capital gain; Great Amer., \$0.19; Lomas & Nettleton, \$0.22. z-Estimated after conversion on June 30. Quotations: Closing prices on listed stocks, bid prices on issues quoted in Wall Street Journal daily (WSJ) or OTC, other over-the-counter issues supplied by William Harman. - Evans & Co., Members NYSE. Convertibles: *Increases to \$17 on Feb. 14, 1973. **Interest coverage, or ratio of earnings to interest expense. For mortgage trusts, net income is added to interest expense and the total divided by interest expense. For equity trusts, marked "f", the ratio denotes cash available to total fixed charges